

UI Quarterly News
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Colorado Department of Labor and Employment
Unemployment Insurance Operations
www.coworkforce.com

Bill Ritter, Jr.
Governor



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Executive Director

UNEMPLOYMENT INSURANCE TRUST FUND BALANCE

The monetary level of the Unemployment Insurance (UI) Trust Fund (Fund) as of June 30, 2009, was \$339,870,078. This is a decrease over the balance as of June 30, 2008, which was \$699,838,090, and is a result of an increased number of UI benefits paid over the past year. The solvency surcharge remains in effect for calendar year 2010.

UNEMPLOYMENT INSURANCE RATES FOR 2010

Because of the decrease in the monetary level of the Fund, the 2010 base rates for many employers will increase slightly. According to the tax rate schedule in [CESA 8-76-103 \(3\)\(b\)\(II\)](#), the base tax rate is moving three columns to the right under column heading **306 to 342 Million**. The base rate for most new employers remains unchanged at 0.017.

You will receive notification of your rate for 2010 on Form UITR-7, Notice of Employer's Rate. The Notice of Employer's Rate will be mailed in November 2009.

SOLVENCY SURCHARGE FOR 2010

In accordance with [CESA 8-76-102 \(5\)\(a\)](#), a solvency surcharge was assigned to ratable employer accounts beginning in calendar year 2004. The solvency surcharge is assessed to help ensure the Fund continues to allow the UI Program the ability to pay UI benefits. The solvency surcharge is added to the standard or computed rate when the Fund balance on any June 30 is equal to or less than nine-tenths of one percent of the total wages reported by ratable Colorado employers for the calendar year or the most-recent available four consecutive quarters prior to the last computation date.

The solvency surcharge was assessed to employers for calendar rate years 2004-2009.

As of June 30, 2009, the Fund balance was 0.392 percent of the total wages reported by ratable Colorado employers. The solvency surcharge triggers on when the ratio of the Fund balance to private wages is less than or equal to nine-tenths of one percent. Since the Fund balance is less than nine-tenths of one percent of the total wages reported by ratable Colorado employers, the solvency surcharge will be assessed for rate year 2010. The solvency surcharge yearly increment for all new employer accounts or reinstating employer accounts that have lost their chargeability is 0.006.

For information about the solvency surcharge for calendar year 2009, visit www.coworkforce.com, click on **Unemployment Information**, and then click on **Solvency surcharge**.

EMERGENCY UNEMPLOYMENT COMPENSATION

Once an individual exhausts regular UI benefits, Colorado offers an additional 20 weeks of Emergency Unemployment Compensation (EUC) benefits through the federal government. Beginning March 27, 2009, Colorado's total unemployment rate (TUR) for the previous three months reached 6 percent, which caused Colorado to add a second tier of an additional 13 weeks (beyond the initial 20 weeks) of EUC benefits. The payment of EUC benefits does not affect an employer's rate.

State Extended Benefits

On June 2, 2009, Governor Ritter signed Senate Bill 09-247 to increase the number of weeks of UI benefits under State Extended Benefits (SEB). SEB funds are added after all regular UI and EUC benefits are paid. The payment of SEB does not affect an employer's rate. The number of SEB weeks added depends on the average TUR. If the average TUR reaches:

- 6.5 percent, up to 13 weeks of additional benefits may be paid.
- 8 percent, up to 20 weeks of additional benefits may be paid.

CHANGES TO THE ONLINE APPLICATION FOR BUSINESS REGISTRATIONS

On August 6, 2009, the online application for business registrations, now titled the [New Employer Registration Site](#), was updated to request additional information from employers. The additional information helps the UI Program ensure an employer has met the liability requirements of state statute and UI policies prior to setting up a UI account. For more information about employer liability, visit www.coworkforce.com, click on **Unemployment Information**, select **Employer's Handbook**, and then under **Table of Contents** click on the **Who Must Pay Unemployment Insurance Taxes?** link.

To register a business on the Internet, visit www.coworkforce.com, click on the **Unemployment Online Services** link, and select **Register a New Business**.

NOTE: The online New Employer Registration Site continues to allow most employers to register for both a UI account with the Colorado Department of Labor and Employment (CDLE) **and** sales and wage-withholding tax accounts with the Colorado Department of Revenue.

NEW PAPER-REGISTRATION FORM, APPLICATION FOR UNEMPLOYMENT INSURANCE ACCOUNT AND DETERMINATION OF EMPLOYER LIABILITY

As of August 7, 2009, employers must use Form UITL-100, Application for Unemployment Insurance Account and Determination of Employer Liability (Employer Application and Determination of Liability), to register for a Colorado UI account with CDLE.

In addition to obtaining information to better determine employer liability, the Employer Application and Determination of Liability form gathers information to determine the nature and purpose of any business acquisitions or reorganizations. Form UITL-67, Business Acquisition Questionnaire, is no longer used.

To download the Employer Application and Determination of Liability, visit www.coworkforce.com, click on **Unemployment Online Services**, select the **Forms** link in the **Employers** column, and click on [Form UITL-100, Application for Unemployment Insurance Account and Determination of Employer Liability](#).

Employers still must use the Colorado Department of Revenue's Form CR 0100, Colorado Business Registration, to register for sales and wage-withholding tax accounts. The Colorado Business Registration is available at [CR 0100](#).

2009 LEGISLATION SUMMARY NOW AVAILABLE

A summary of 2009 legislation is now available for employers. The 2009 legislation summary contains hyperlinks to the complete language of each bill, a brief summary of each bill, and its impacts to employers.

Visit www.coworkforce.com, click on **Unemployment Information**, and then click on **2009 Legislation Summary**.

Alternative Base Period

Please note that as of July 1, 2009, a claimant may use an alternative base period. More details are available on the **2009 Legislation Summary** Web site.

Compelling Personal Reasons

A full award of UI benefits may be granted under an expanded definition for compelling personal reasons to quit a job. More details are available on the **2009 Legislation Summary** Web site. Any benefits awarded under these new laws are charged to the Fund and do not affect an employer's tax rate.

Payments Received Because of a Job Separation

Severance allowance no longer reduces benefits. It only postpones benefits and is treated as other types of payments, such as vacation pay or wages-in-lieu-of-notice pay, that are made because of a job separation. There is no longer a reduction of UI benefits when a claimant receives severance pay. Please look at the newly enacted legislation on the **2009 Legislation Summary** Web site for more details.

EMPLOYERS TO PAY PREMIUMS, PREMIUM SURCHARGES, AND A SOLVENCY SURCHARGE INSTEAD OF TAXES

House Bill (HB) 09-1363 became law on July 1, 2009, replacing references in CESA for "taxable payroll," "taxable wages," and "taxes," with "chargeable payroll," "chargeable wages," and "premiums," respectively. References to "tax" or "taxes" were replaced by "premium" or "premiums" throughout Articles 70 to 82. These changes do not affect an employer's quarterly reporting and payment requirements for UI purposes. The UI Program will update its Web site, publications, forms, and other applicable information in November 2009 to reflect these changes in terminology.

NEW LAW CONCERNING THE MISCLASSIFICATION OF EMPLOYEES

HB 09-1310 became law on June 2, 2009, adding a new section of law under CESA 8-72-114. HB 1310 creates:

- A complaint process available to misclassified employees.
- Penalties for employers who engaged in the misclassification of employees.
- An advisory opinion process available to employers seeking advice on proper classification.
- A two-year statewide study on the issue of employee misclassification to be conducted by CDLE.

LAW GOVERNING EMPLOYEE LEASING COMPANIES

Legislation passed in 2008 made changes to CESA 8-70-114 affecting employee-leasing companies (ELC), also known as a professional employer organizations, or work-site employers that receive services from an ELC. Under this legislation, an ELC is required to be certified in order to conduct business as an ELC in Colorado.

The UI Program mailed an Application for Certification packet to all known ELCs in September 2008. The packet contains Form UITL-71, Application for Certification as an Employee-Leasing Company (Application for Certification). An ELC should have submitted a completed Application for Certification by March 23, 2009, for the UI Program to consider certification of the agency. If the application has not been submitted contact the UI Program immediately via e-mail at UI.Leasing@state.co.us.

The previous revisions to CESA 8-70-114 regarding the ELC's responsibility for reporting and paying UI taxes still apply.

As of August 2009 CESA 8-70-114 requirements for ELCs changed again. Senate Bill (SB) 09-258 holds ELCs responsible for the payment of UI taxes but gives them the option of reporting and paying the taxes as the employing unit or under the accounts of the work-site employers.

Additional information, including the Application for Certification, is available on the CDLE Web site on the [Employee Leasing Companies](#) Web page at www.coworkforce.com. Click on **Unemployment Information**, and then click on **Employee Leasing Companies** under the **Employers** column.

RAPID RESPONSE SERVICES

The state Rapid Response Team serves companies facing corporate restructuring and downsizing. The Rapid Response Team is a cooperative effort between the local Workforce Centers, CDLE, and the UI Program. The services available are free and designed to benefit employers and employees through the provision of information about the Dislocated Worker Program and other useful information and assistance with employment-related needs. If you need information about the Worker Adjustment and Retraining Notification (WARN) Act, or other programs and services available to you through CDLE, you can access the [Layoff Transition Services](#) Web site.

NEW TELEPHONE NUMBERS

UI Operations added new telephone lines for new-claim filers and Spanish-speaking claimants. A telephone line was created for each group to ensure better service and accessibility. The number to file a new claim is 303-318-9123 (Denver-metro area) and 1-866-422-0401 (outside Denver-metro area). These numbers should be used by all callers needing to file a new UI claim. The Spanish number is 303-318-9333 (Denver-metro area) and 1-866-422-0402 (outside Denver-metro area). These numbers should be used by all Spanish-speaking claimants.

COLORADO EMPLOYMENT SECURITY ACT FOR 2008 AND 2009

The Colorado Employment Security Act (CESA) contains changes enacted during the 2008 legislative session and is available [online](#). See the "Recap of 2008 Legislative Changes" section in this revised CESA for more information.

A printable PDF version of CESA is also available [online](#).

CESA 2009 will be available online by the end of November 2009 and will contain changes enacted during the 2009 legislative session.

REPORTING REQUIREMENTS FOR COLORADO LIABLE EMPLOYERS

As a Colorado liable employer, you must file quarterly UI reports for your assigned UI account using the following methods:

- [Tax reports](#) can be filed via the Internet or by paper.
- [Wage reports](#) can be filed via the Internet, [file transfer protocol](#) (FTP), paper, or diskette.
- The preferred method of filing wage reports for employers with 100 or more employees is via FTP. For FTP information, visit www.coworkforce.com, click on **Unemployment Information**, and select **FTP wage report**.
- The preferred method of filing wage reports for employers with less than 100 employees is on the Internet. To file on the Internet, go to www.coworkforce.com, click on **Unemployment Online Services**, and click on **File your tax and/or wage report**.

NOTE: You must file a tax report if you have an active account even if you have not paid employee wages in the quarter. In this case, you will file a zero tax report and skip the wage report.

CORRECT MAILING ADDRESS AND BUSINESS STATUS CHANGES

[Regulations Concerning Employment Security 7.2.7](#) require you to report address or ownership changes within ten days. Prompt notification of address changes helps to ensure you receive important forms and

information regarding UI taxes in a timely manner. Prompt notification also ensures that the UI Program can contact you when former employees file a UI claim.

To update your address online for location, mailing, benefit mailing, owner, or bank information, go to the [Unemployment Insurance Employer-Change-of-Business-Address](#) Web site. You may also download Form UITL-2, [Employer Change Request](#). Then follow the instructions to complete, sign, and return the form.

If you have sold your business or changed the status of your business, you **must** download the [Employer Change Request](#). Follow the instructions to complete, sign, and return the form. If you do not have access to the Internet, call the Customer Contact Center at 303-318-9100 (Denver-metro area) or 1-800-480-8299 (outside Denver-metro area).

QUESTIONS OR CONCERNS?

For UI tax questions and issues related to your account, e-mail [UI Operations Tax](#). You may also call 303-318-9100 (Denver-metro area) or 1-800-480-8299 (outside Denver-metro area).